

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

LeRoy Koppendraye
Marshall Johnson
Ken Nickolai
Thomas Pugh
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Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of Petitions for Extended Area
Service Between the Clearbrook and Gonvick
Exchanges

ISSUE DATE: September 20, 2004

DOCKET NO. P-409/CP-04-970

ORDER DENYING PETITIONS AND
CLOSING DOCKET

PROCEDURAL HISTORY

On June 25, 2004, telephone subscribers in the Clearbrook exchange and the Gonvick exchange filed petitions for extended area service (EAS) between the two exchanges. Both exchanges are served by Garden Valley Telephone Company (the Company).

On June 30, 2004, the Department of Commerce (the Department) directed the Company to conduct and file traffic studies detailing monthly calling volumes between the two exchanges. On August 9, 2004, the Company filed the requested traffic studies.

On August 16, 2004, the Department of Commerce filed comments stating that the traffic volume between the two exchanges failed to meet Minnesota's EAS traffic requirements. The agency therefore recommended denying the petition and closing the docket.

On September 9, 2004, the case came before the Commission.

FINDINGS AND CONCLUSIONS

I. The Legal Standard

Extended area service is a service arrangement permitting neighboring telephone exchanges to become a single local calling area with toll-free calling. The criteria for establishing EAS routes and the procedures for determining EAS costs were set by Commission Orders following an

industry-wide fact-finding and policymaking proceeding.¹ Briefly, these criteria and procedures are as follows:

- (1) A petitioning exchange must be adjacent to the exchange or local calling area to which it seeks EAS.
- (2) At least 50% of subscribers in the petitioning exchange must make at least three calls per month to the exchange or local calling area to which EAS is sought.
- (3) The companies serving the two exchanges or local calling areas must determine the cost of installing and operating the proposed EAS route, using Commission-approved costing methods, and file proposed rate additives to recover these costs.
- (4) The Commission must poll subscribers in the petitioning exchange on whether they want EAS at the rates adopted by the Commission.
- (5) If 50% of the subscribers responding to the poll vote yes, the EAS route must be installed.

II. Commission Action

The traffic studies filed in this case demonstrate that neither of the two petitioning exchanges meets the requirement that at least 50% of its subscribers make three or more calls per month to the other exchange. The route therefore cannot be installed.

The Commission will therefore deny the petitions and close this docket.

¹ In the Matter of an Investigation into the Appropriate Local Calling Scope, in Accordance with Minn. Stat. § 237.161, Docket No. P-999/CI-94-296, ORDER REACTIVATING THE PROCESSING OF EAS PETITIONS (October 24, 1995) and ORDER AFTER RECONSIDERATION (February 23, 1996).

ORDER

1. The petitions for extended area service between the Clearbrook and Gonvick exchanges are hereby denied.
2. This docket is hereby closed.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

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